



EM Recovery Act Topics of Interest

October 21, 2010

FUNDING

On what basis did the Office of Environmental Management (EM) allocate Recovery funding to sites?

EM allocated the \$6 billion of Recovery Act funding provided by Congress to support footprint reduction and near-term completion cleanup activities. The cleanup projects chosen for the Recovery Act work were selected based on criteria that would ensure quick deployment of resources to maximize creation of jobs. Activities that were in-line with compliance agreements and work that could begin quickly was identified at 17 sites in 12 states, thus meeting these Recovery Act criteria.

How were the Recovery Act projects chosen?

The Recovery Act funding was directed towards the “shovel ready” projects or existing scope that could be most readily be accelerated such as: soil and groundwater remediation; radioactive solid waste disposition and facility and decontamination & decommissioning. Additionally, selection of Recovery Act work scope was integrated with ongoing EM budgeting and planning activities to ensure seamless integration of Recovery Act work within existing baseline work.

PERFORMANCE

What data sources does the EM Recovery coordination team use to monitor the progress of EM Recovery Act projects?

The EM Recovery Act Program team evaluates monthly project performance data reports and meets with the sites to discuss successes, challenges, and lessons learned. The team evaluates job creation and workforce status reports on a quarterly basis. Recovery Site Representatives stationed on-site also prepare a weekly and monthly report on the work progress at their Recovery sites.

Why are some projects extending beyond FY 2011?

EM has a goal of spending all ARRA funds by the end of FY 2011 timeframe. It is forecasted at this time that approximately 90% of the funds will be spent by the end of FY2011. A few projects will extend into 2012 due to technical challenges and the time it takes to award some of the small business contracts.

JOBS

What is the total amount of Recovery Act funding used to create one full-time equivalent (FTE) job? How many FTE jobs were created during the year?

To support answering this question, the following caveats are provided for consideration:

- Recovery Act funding for each FTE job created correlates with labor cost funding. Each Recovery Act project and/or site has its own breakout of labor and non-labor cost based upon scope of work and contractual terms and conditions. Best available data currently indicates approximately 50% of Recovery Act funding is direct labor cost.
- Labor cost generally include at a minimum direct labor and fringe benefits, but can include direct labor, indirect costs, and profit (fee) under a contract. Indirect costs include fringe benefits, overhead, and G&A expenses. "Typical" values for overhead and G&A rates are 100% and 20%, respectively.
- The Recovery Act program took several months to ramp-up, hire and train/qualify additional new workers to be able to conduct Recovery Act work. Training costs typically were not included as a labor cost.
- In accordance with the Office of Management and Business guidance, jobs data collection and reporting was based upon quarterly data. The first quarter of data was collected/reported the fourth quarter CY2009 (cumulative) and quarterly thereafter (period of performance). Currently, only 2 individual quarters of actual FTE jobs data is available.
- Calculations and estimates represent annualized values utilizing two quarters of actual data (funding costed and direct jobs reported).
- FTE data collected/reported represents direct (prime contractor and subcontractor/vendor) FTE labor only. Indirect and induced jobs are not included in FTE values.

Two (2) quarters (FY2010 1st and 2nd Quarters) data:

Total Recovery Act Funding costed October 1, 2009 – December 31, 2009 approx. \$498M, 7,719 FTEs reported (prime contractor and subcontractor/vendor)

- Average Funding per FTE created = $(\$498\text{M} \times 50\%) / 7,719 = 32,258 \times 4 = \$128,032/\text{yr}$

Total Recovery Act Funding costed January 1, 2010 – March 31, 2010 approx. \$551M, 10,018 FTEs reported (prime contractor and subcontractor/vendor)

- Average Funding per FTE created = $(\$551\text{M} \times 50\%) / 10,018 = 27,500 \times 4 = \$110,002/\text{yr}$

Average funding per FTE created (approx.) = \$118,300/yr

Average direct jobs per year at costing rate (approx.) = 8,900 FTEs

ADDITIONAL INITIATIVES

How do Energy Parks tie to Recovery Act?

The Energy Parks initiative will increase the level of integration across programs and communities by pooling resources. For additional information, please visit:

http://www.em.doe.gov/pdfs/Report_EM_Energy_Park_Initiative.pdf